

Tom Horne
Superintendent

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ARIZONA DEPARTMENT OF EDUCATION

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SUPERINTENDENT HORNE PROPOSES \$2,500 TAX CREDIT FOR ARIZONA TEACHERS

PHOENIX (Tuesday, October 11, 2005) - State School Superintendent, Tom Horne, today proposed that the legislature pass a \$2,500 tax credit for all employed K-12 teachers in Arizona. Because this would be a refundable credit and not a deduction, the effect would be an additional \$2,500 in the pocket of each teacher. To achieve the same take home pay, a raise in gross pay, subject to tax and social security deductions, would have to have been about \$3,500.

Horne explained the proposal as follows: "Teachers' compensation has been lagging, and the cost of living has been increasing, especially in the housing market. To increase student learning, we must greatly increase the number of highly qualified teachers that we attract and retain in the teaching profession in Arizona. We are holding the schools accountable with AZ LEARNS, the students accountable with the requirement to pass the AIMS test to graduate, and teachers specifically accountable with the new assessment that they must pass within the first six years of teaching in order to remain in teaching. These focused efforts to improve the quality of Arizona education will fail if we do not increase the number of highly qualified teachers in Arizona schools. Without an increased supply of quality teachers, schools have insufficient choice to ensure that only qualified professionals are teaching our children. The ultimate determinant of how much students learn is what happens after the teacher closes the door of the classroom, and the most important thing we can do to increase student learning is to raise the professional standards of our teachers. This can only be done by attracting and retaining larger numbers of highly qualified teachers."

Horne added: "We have been unable to do anything like this in the past several years because of a lagging economy and insufficient revenues. But the economy has turned around, and revenues now are exceeding projections. The Arizona Department of Revenue last month reported that revenues exceeded expectation by over \$100 million. If this trend continues, revenues will exceed expectations by \$600 million. The granting of this tax credit would reduce those excess revenues by about \$150 million, allowing teachers to retain a greater portion of their income. A chart showing the calculation of these numbers follows."

Identity	# of Teachers	Data Source
District teachers	47,189.00	SDER (School District employee records, kept by ADE)
Counselors	1,519.00	SDER
Librarians	1,250.00	SDER
Media Specialists	250	SDER
Nurses	1,010.00	Arizona School Nurses Association
Charter Teachers	6,428.00	School Report Card
Private Schools	3,319	The Heritage Foundation
Total Number	60,965	
Effect of a \$2500 Tax Credit	\$152,412,000	Less estimated sales tax generated from that tax credit being spent

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